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STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DT 14-__

PETITION OF DIXVILLE TELEPHONE COMPANY
FOR APPROVAL TO DISCONTINUE OPERATIONS

DIRECT TESTIMONY OF ARTHUR NICHOLSON

September 22, 2014

REDACTED

1 Q. Mr. Nicholson, please state your full name, employment position and business address.

2 A. My name is Arthur Nicholson, Vice President, Operations for Bretton Woods Telephone
3 Company ("BWTC") a New Hampshire Corporation not affiliated with Dixville
4 Telephone Company or Tillotson Corporation. My business address is 171 Mt.
5 Washington Hotel Rd., Bretton Woods, NH 03575.

6 Q. What are your current responsibilities with BWTC?

7 A. I oversee the day to day operation of BWTC.

8 Q. What is your involvement with Tillotson Corporation?

9 A. BWTC provides network operations and management services under contract to the
10 Tillotson Corporation to operate the Dixville Telephone Company ("DTC") on
11 Tillotson's behalf. We provide all provisioning, operations, customer services and repair
12 services under contract to Tillotson, as well as certain network administration tasks upon
13 request.

14 Q. What is the purpose of your testimony?

15 A. The purpose of my testimony is to report on the alternatives to DTC's local exchange
16 service.

17 Q. What other options for telecommunications service are there in DTC's service area?

18 A. Both AT&T and Verizon Wireless offer cellular telephone service in the DTC territory.
19 Also, Verizon Wireless provides a wireless broadband service that can support a Voice
20 over IP ("VoIP") service.

1 Q. Are any of these options comparable to the landline service that DTC currently offers?

2 A. Although we have been in discussions with one wireless telephone service provider
3 regarding a trial of a home-based wireless service, I am not in a position at this time to
4 say if a cellular phone service is comparable to DTC's landline service. I will note,
5 however, that 41% of all U.S. adults live in households that have dropped their landline
6 service entirely in favor of wireless service.¹ (In New Hampshire, over 25% of adults are
7 in households with wireless service only.²) Furthermore, an additional 16% of all U.S.
8 households receive all or almost all of their calls on wireless phones.³ Consequently, we
9 can presume that the current end users would not be severely inconvenienced with a
10 wireless only service.

11 Notwithstanding the availability of wireless service from two carriers, we do believe that
12 there is another alternative that meets or exceeds the quality of DTC's current landline
13 service. Beginning in February 2014, we tested a Voice over Internet Protocol service
14 ("VoIP") offered by WorldSurfer (a BWTC affiliate) over one end user's existing
15 broadband connection, provided by Verizon Wireless. The VoIP service included the
16 following features:

¹ The latest figures from the Centers for Disease Control estimate that 41% of American households have wireless service only. CDC Wireless Substitution Report - July–December 2013, at 1. (available at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201407.pdf>). (Attached hereto as Exhibit AN-1).

² CDC Wireless Substitution, State Level Estimates Dec 2013, at 6. (available at <http://www.cdc.gov/nchs/data/nhsr/nhsr070.pdf>) (Attached hereto as Exhibit AN-2).

³ CDC Wireless Substitution Report - July–December 2013, at 4.

- 1 • Long Distance Calling within the US and Canada; 1000 minutes per month at no
- 2 additional charge; overtime minutes are billed at \$0.05 per minute.
- 3 • Voicemail with email message notification.
- 4 • Caller ID with Name
- 5 • Call Return (*69)
- 6 • Call Waiting
- 7 • Do Not Disturb (call routed directly to voice mail to leave a message, telephone
- 8 does not ring)
- 9 • Broadband Failure (calls automatically redirected to an alternate number such as a
- 10 cell phone or another location anywhere in the US)

11 During the test, 10 digit dialing was required, but once DTC is dissolved, I believe that a
12 telephone number from another exchange could be assigned or the DTC numbers can be
13 permanently ported and 7 digit dialing would be possible within the 603 area code.

14 During the trial, which still continues, the VoIP service was provided at no cost to the end
15 user. The monthly charge for this service ordinarily would be \$25.95 per month in
16 addition to the charge for the existing broadband service and a \$7.95 VoIP customer
17 premises equipment charge. (Other applicable taxes and fees would also apply.)

18 Q. What were the results of the test?

19 A. Voice quality is excellent, and all the features and services that one might expect of a
20 landline service are available. We had connectivity problems with the service for several
21 days in May 2014, but other than that, the service has performed very well and continues

1 to operate at the end user's location. Have any of DTC's customers expressed an
2 intention to migrate from DTC to another telecommunications provider?

3 A. We have had discussions with DTC's two remaining end user customers, but neither has
4 agreed to discontinue their service or migrate to a different telecommunication provider.
5 It has been indicated to us that there are no circumstances in which the end users will
6 migrate off the DTC network, short of a discontinuance of DTC's service.

7 Q. In her testimony, Ms. Walsh describes [REDACTED]

8 [REDACTED] What alternatives are there to this service?

9 A. [REDACTED]

10 [REDACTED]

11 [REDACTED] With a minimum of effort and expense, these facilities could
12 simply [REDACTED].

13 [REDACTED].

14 Q. Does this conclude your testimony?

15 A. Yes.